

CONRAIL

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RECEIVED

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION
SEP 9 10 23 AM '77

RECORDATION NO. 8985-B
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SEP 9 1977 10 22 AM

I.C.C.
FEE OPERATION BR.

7-252A034

September 9, 1977 INTERSTATE COMMERCE COMMISSION

SEP 9 1977

Robert L. Oswald, Secretary
Interstate Commerce Commission
12th & Constitution Ave., N.W.
Washington, D.C. 20423

8985A Date
RECORDATION NO. Filed & Recorded Fee \$ 100

SEP 9 1977 10 22 AM
ICC Washington, D. C.

Dear Mr. Oswald:

INTERSTATE COMMERCE COMMISSION

Pursuant to Section 20c of the Interstate Commerce Act and as provided by Volume 49 Code of Federal Regulations Sections 1116.1 through 1116.4, we present the following documents, all dated as of June 1, 1977, for recordation:

- (A) Conditional Sale Agreement between Thrall Car Manufacturing Company, Pullman Incorporated (Pullman Standard Division), Whittaker Corporation (Berwick Forge Fabricating Division), and First Security Bank of Utah, N.A., as Trustee;
- (B) Agreement and Assignment between Thrall Car Manufacturing Company, Pullman Incorporated (Pullman Standard Division), Whittaker Corporation (Berwick Forge Fabricating Division), and Mellon Bank, N.A., as Agent;
- (C) Lease of Railroad Equipment between Consolidated Rail Corporation and First Security Bank of Utah, N.A., as Trustee;
- (D) Assignment of Lease and Agreement between First Security Bank of Utah, N.A., as Trustee, and Mellon Bank, N.A., as Agent.

The names and addresses of the parties to the documents are:

(i) With respect to the Conditional Sale Agreement described under (A):

Vendors	Thrall Car Manufacturing Company 26th & State Streets Chicago Heights, Illinois 60411
	Pullman Incorporated; (Pullman Standard Division) 200 South Michigan Avenue Chicago, Illinois 60604
	Whittaker Corporation (Berwick Forge & Fabricating Division) West Eighth Street Berwick, Pennsylvania 18601
Purchaser	First Security Bank of Utah, N.A., as Trustee 79 South Main Street Salt Lake City, Utah 84111

(ii) With respect to the Agreement and Assignment described under (B):

Assignors	Thrall Car Manufacturing Company 26th & State Streets Chicago Heights, Illinois 60411
	Pullman Incorporated (Pullman Standard Division) 200 South Michigan Avenue Chicago, Illinois 60604
	Whittaker Corporation (Berwick Forge & Fabricating Division) West Eighth Street Berwick, Pennsylvania 18601
Assignee	Mellon Bank, N.A., as Agent Mellon Square Pittsburgh, Pennsylvania 15230

(iii) With respect to the Lease of Railroad Equipment described under (C):

Lessor First Security Bank of Utah, N.A.,
 as Trustee
 79 South Main Street
 Salt Lake City, Utah 84111

Lessee Consolidated Rail Corporation
 1310 Six Penn Center Plaza
 Philadelphia, PA. 19104

(iv) With respect to the Assignment of Lease and Agreement described under (D):

Assignor First Security Bank of Utah, N.A.,
 as Trustee
 79 South Main Street
 Salt Lake City, Utah 84111

Assignee Mellon Bank, N.A., as Agent
 Mellon Square
 Pittsburgh, Pennsylvania 15230

The equipment covered by the documents is:

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>No. of Units</u>	<u>Marked*</u>	<u>Numbers (Inclusive)</u>
Coil Steel Flatcars	GBS	300	Conrail	628001-628300
Covered Hopper Cars	LO	400	Conrail	883600-883999
Sixty Foot Boxcars	XP	122	Conrail	223001-223122

*Each unit will have marked thereon the following legend:

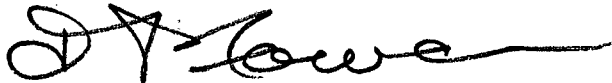
"Owner by a bank or trust company under a security agreement filed under the Interstate Commerce Act Section 20c and leased under a lease deposited in accordance with Section 86 of The Railway Act of Canada."

These documents have not been previously recorded with the Interstate Commerce Commission.

Our check in the amount of \$100.00 is enclosed to cover the recordation fees.

After retaining a counterpart original of the documents please return the remaining copies, stamped with your recordation number, to Consolidated Rail Corporation, Room 1138, Six Penn Center Plaza, Philadelphia, Pennsylvania, 19104, in the custody of the individual presenting them for recordation.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "J. T. Rowan", with a long horizontal flourish extending to the right.

Joseph T. Rowan
Assistant Corporate Counsel

JTR:smg

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

9/9/77

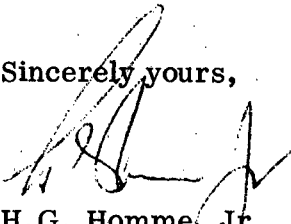
OFFICE OF THE SECRETARY

Joseph T. Rowan
Assistance Corp. Counsel
Consolidated Rail Corp. Rm. 1138
Six Penn Center Plaza
Phila. Pa. 19104

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **9/9/77** at **10:30am**,
and assigned recordation number(s)

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

8985
8985-A
8985-B
8985-C

Enclosure(s)

8985-*C*

RECORDATION NO. Filed & Recorded

SEP 9 1977 - 10 20 AM

ANALYST: COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of June 1, 1977 (hereinafter called this Assignment), by and between FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION (hereinafter called the Lessor or the Vendee when acting in its capacity as Trustee) acting not in its individual capacity but solely as trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with Steiner Sea, Air & Rail Co., CI Transportation Leasing Corporation and The Fifth Third Leasing Company, as Beneficial owners (hereinafter together called the Beneficiaries), and MELLON BANK, N.A., acting not in its individual capacity but solely as Agent (hereinafter called the Vendor when acting in its capacity as Agent), under a Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement) with the Lessor, the Beneficiaries, the Lessee as hereinafter defined, and the Parties named in Schedule A thereto (hereinafter called the Investors).

WHEREAS, the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Security Documentation), with Thrall Car Manufacturing Company, Pullman Incorporated (Pullman Standard Division) and Whittaker Corporation (Berwick Forge & Fabricating Division) (hereinafter together called the Builders) providing for the sale to the Vendee of such units of railroad equipment (hereinafter called the Units) described in the Annexes thereto as are delivered to and accepted by the Vendee thereunder; and

WHEREAS, the Lessor and Consolidated Rail Corporation (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the Security Documentation and as an inducement to the Vendor to invest in the Conditional Sale Indebtedness (as that term is defined in the Security Documentation), the Lessor agrees to assign for security purposes its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the Security Documentation, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof. Notwithstanding the foregoing, the Payments shall not be deemed to include (y) payments by the Lessee to the Lessor or the Beneficiaries pursuant to Sections 6 and 9 of the Lease (except indemnification payments owing to the Vendor pursuant to Articles 6 and 13 of the Security Documentation) and (z) payments required to be made by the Lessee to the Vendee or the Beneficiaries pursuant to Paragraph 12 of the Participation Agreement.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease, subject to the provisions of the Lessee's Consent and Agreement attached hereto (hereinafter called the Consent) permitting certain payments to be made directly to the Vendee. To the extent received, the Vendor will promptly apply such Payments to satisfy the obligations of the Lessor under the Security Documentation then due and payable, and, so long as no event of default or event which with the lapse of time and/or demand provided for in the Security Documentation could constitute an event of default thereunder, shall have occurred and be continuing, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor (or to such other party as may be specified by the Lessor), by bank wire to the Lessor at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor. If the Vendor shall not receive any rental payment under Section 3 of the Lease payable to it as provided in the Consent when due, the Vendor shall notify the Lessor at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Security Documentation. The Lessor will furnish to the Vendor and the Lessee a schedule, with such changes as may be appropriate from time to time, setting forth the amounts due the Vendor under the Security Documentation and the Lessor under the Lease on each date for the payment thereof.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants,

conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Vendor may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Lessor's obligations under the Security Documentation, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, re-register, re-record or redeposit whenever required) any and all further instruments as are reasonably requested by the Vendor in order to confirm or further assure, to the satisfaction of the Agent and its counsel, this Assignment and the provisions hereof under Section 20c of the Interstate Commerce Act and Section 86 of the Railway Act of Canada, as such Section has been or shall be amended.

7. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due, but the Lessee shall be under no obligation to any subsequent or successive assignee except upon written notice of such assignment from the Vendor. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such

assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

8. This Assignment shall be governed by the laws of the Commonwealth of Pennsylvania, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act. The Lessor will promptly cause this Assignment to be filed and recorded in accordance with Section 15 of the Lease.

9. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the Security Documentation or at such other address as the Vendor shall designate.

10. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no Event of Default under the Lease or event of default under the Security Documentation has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment, except the right to apply the Payments as provided in Paragraph 1 hereof.

11. It is understood and agreed that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by First Security Bank of Utah, National Association, acting in its capacity as Trustee, or for the purpose or with the intention of binding said bank personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Assignment is executed and delivered by the said bank solely in the exercise of the powers expressly conferred upon the said bank as trustee under said Trust Agreement, and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank or on account of any representation, undertaking or agreement of the said bank as Lessor, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor, provided, however, that the

Vendor or any person claiming by through or under the Vendor, making claim hereunder, may look to said Trust Estate for satisfaction of the same. The Lessor agrees that it will not enter into any amendments or modification of the Trust Agreement except as provided in Article VI, VII, and VIII thereof.

12. The Lessor will pay and discharge any and all claims, liens, charges or security interests (other than created by the Security Documentation) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor, or its successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the Security Documentation or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest in or with respect to the Lease or such rentals or other payments equal or superior to the Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

13. In the event that the Lessor from time to time makes any payment pursuant to the provisions of the sixth paragraph of Article 16 of the Security Documentation and in the absence of any event of default thereunder, the Lessor shall be subrogated to all rights, powers, privileges and remedies of the Vendor against the Lessee with respect to such payment.

14. This Assignment may be executed in any number of counterparts, such counterparts together constituting but one and the same contract, but the counterparts marked Original Counterpart delivered to the Assignee shall be deemed to be the original counterpart and all other counterparts shall be deemed to be duplicates thereof. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

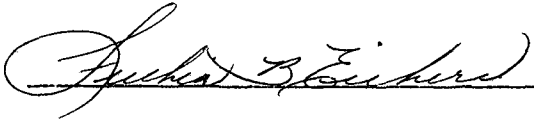
IN WITNESS WHEREOF, the parties hereto have caused

this instrument to be executed, all as of the date first above written.


[Seal]

Attest:

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not in
its individual capacity but
solely as Trustee,



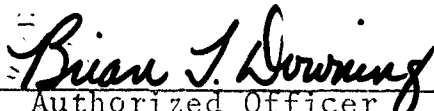
By:


Authorized Officer


[Seal]

Attest:

MELLON BANK, N.A., not in its
individual capacity but solely
as Agent,


Authorized Officer
BANKING OFFICER

By:


Authorized Officer

STATE OF UTAH

COUNTY OF SALT LAKE

}
} SS:
}

On this 2 day of September, 1977, before me personally appeared Robert S. Clark, to me personally known, who, being by me duly sworn, says that he is an authorized officer of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the seal of said national bank, that said instrument was signed and sealed on behalf of said national bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national bank.


Notary Public

[Notarial Seal]

My commission expires June 6, 1981

My Commission expires _____

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this 6th day of SEPTEMBER, 1977,
before me personally appeared THOMAS F. MOSIMANN JR,
to me personally known, who, being by me duly sworn, says
that he is an authorized officer of MELLON BANK, N.A., that
one of the seals affixed to the foregoing instrument is the
seal of said national bank, that said instrument was signed
and sealed on behalf of said national bank by authority of
its Board of Directors, and he acknowledged that the exe-
cution of the foregoing instrument was the free act and
deed of said national bank.

Gladys M. Harper
Notary Public

GLADYS M. HARPER, Notary Public

Pittsburgh, Allegheny County, Pa.

My Commission Expires May 29, 1978

[Notarial Seal]

My Commission expires May 29, 1978

CONSENT AND AGREEMENT

The undersigned, CONSOLIDATED RAIL CORPORATION, a corporation duly incorporated under the laws of the Commonwealth of Pennsylvania, the Lessee (hereinafter called the Lessee) named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease and Agreement (hereinafter called the Lease Assignment), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages and other moneys (other than (A) payments provided for in Sections 6 and 9 of the Lease required to be paid to the Lessor or the Beneficiaries, except to the extent that the Lessor is obligated to reimburse the Vendor under Articles 6 and 13 of the Security Documentation, and (B) the payments to be made by the Lessee pursuant to Paragraph 12 of the Participation Agreement) provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Units leased thereunder, directly to Mellon Bank, N.A. not in its individual capacity but solely as Agent (hereinafter called the Vendor when acting in its capacity as Agent), the assignee named in the Lease Assignment, to be applied as provided in the Security Documentation, in immediately available funds to the Vendor on the date each such Payment is due;

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the undersigned under the Lease as though the Vendor were named therein as the Lessor;

(3) the Payments or sums equivalent to the payments due hereunder shall not be subject to any right of setoff or counterclaim or other defense which the Lessee might have against the Lessor or otherwise, and the payment thereof to

the Vendor shall be final and shall not be subject to, and the Lessee hereby agrees to indemnify the Vendor against, any liens, charges, security interests or claims of any nature whatsoever resulting from a breach by the Lessee of its obligations under the Lease;

(4) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise;

(5) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the undersigned, the taking or omission of which might result in an alteration or impairment of the Lease or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and, for all purposes, shall be construed in accordance with the laws of said Commonwealth.

Dated as of JUNE 1, 1977

CONSOLIDATED RAIL CORPORATION

[Corporate Seal]

By: [Signature]

Attest:

Benjamin Harder

The foregoing Consent and Agreement is hereby accepted, as of the 1st day of June, 1977.

MELLON BANK, N.A., not in its individual capacity but solely as Agent,

By: Thom F. Mason

Assistant Vice President

[Seal]

Attest:

Brian J. Downing

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF PHILADELPHIA) SS:

On this 1st day of September, 1977, before me personally appeared B. D. WELLMON, to me personally known, who, being by me duly sworn, says that he is ASST TREAS. CASH MGR. of CONSOLIDATED RAIL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the executing of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My Commission expires _____

Annamarie Cavaliere
Notary Public
ANNAMARIE CAVALIERE
Notary Public, Phila., Phila. Co.
My Commission Expires July 5, 1981

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF ALLEGHENY) SS:

On this 6th day of September, 1977, before me personally appeared Thomas F. Mosimann Jr., to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of MELLON BANK, N.A., that one of the seals affixed to the foregoing instrument is the seal of said national bank, that said instrument was signed and sealed on behalf of said national bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national bank.

[Notarial Seal]

My Commission expires May 29, 1978

Gladys M. Harper
Notary Public
GLADYS M. HARPER, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires May 29, 1978